

## Purchasing Card Procedures Checklist

### State Purchasing Review

In order to assist you in your Purchasing Card Program the State Purchasing Card Program Administrator will be providing courtesy reviews of your Purchase Card Program. This information and checklist will help you know how to be prepared for this review.

In order to have a smooth, trouble-free review, proper documentation of every transaction is a must. There are three documents required. First and foremost is an original receipt. The yellow credit card slip is not a substitute for an original receipt. It lacks the line item detail, freight charges and sales tax information. If the supplier does not provide a receipt, you can substitute an original invoice, packing list or Internet order screen print. In the rare case when one of these forms of documentation is not available you should document the purchase yourself. This self-made document should state the purpose of the purchase and state why the original documentation is not available, and it should be signed by your supervisor.

The next document required is the purchasing card log. This form can be found on the State Purchasing website at [www.purchasing.utah.gov/eps/card.htm](http://www.purchasing.utah.gov/eps/card.htm). Every purchase you make should be documented on this log. The purchasing card log should be used to verify the purchases on your monthly statement. The monthly statement is the third document required. The statement and receipts should be reviewed by your supervisor and then both you and your supervisor should sign the statement, verifying that all the purchases on the statement are appropriate and approved. A copy of the purchasing card log along with the receipts should be given to the designated accounting person in your Division who reconciles your Division's statements.

Organization is another key to ensure that the review goes smoothly. Cardholders should make copies of their monthly statements and purchasing card logs and keep them filed in chronological order and they should be filed in a place where they can be accessed quickly and easily.

Each month when the statements arrive the supervisors have the responsibility to review each purchase and verify that each purchase was appropriate and approved. It is important to review and approve the statements as soon as possible after they arrive. There is a limit to the time when transactions can be disputed. By signing the statement the supervisor and cardholder confirm that all the transactions are legitimate and that all have been reviewed. These signatures will be extremely important at the time of a review.

### Internal Review Checklist

In order to be prepared for an external review an internal review should be conducted on a frequent and routine basis. These routine internal reviews should be conducted by the statewide program administrator, site coordinators and supervisors. Use this checklist as a guide when conducting an internal review.

## Review Checklist

Date:\_\_\_\_\_ Cardholder:\_\_\_\_\_ Conducted by:\_\_\_\_\_

1. Verify that all documentation is being filed and that the supervisor and cardholder have both signed the statements and that the purchase card logs and statements match.
2. Verify that original receipts or acceptable substitutes are kept on file by the designated accounting person.
3. Review receipts for completeness. Each receipt must have line item detail of the purchase and should separate out any freight charges or other charges.
4. Conduct random audits of signatures.
5. Watch for out of pattern purchases like high dollar amounts, high transaction counts, or questionable suppliers. These can be indicators of cardholder misuse.
6. Watch for weekend purchases. Sometimes weekend purchases are appropriate but this can be an indicator of cardholder misuse.
7. Watch for multiple purchases from the same supplier on the same day. If the sum of the purchases exceeds the cardholder's single purchase limit, he/she may require a higher single purchase limit.
8. Verify that the suppliers listed on the statement are in accordance with the intended use of the card.
9. If a cardholder doesn't have a monthly statement that means there was no purchase activity for that month. In this case, you should contact the bank to verify that there was no activity and document your findings.
10. Verify that logs are received for all cardholders with activity within a 14 day period from statement date.
11. Watch for reciprocal statement reviews and approvals. It is completely inappropriate for cardholders to reciprocally sign off on each others statements. Supervisors should be the only people reviewing and signing statements. Under no circumstance should a supervisor be the only person reviewing their own statement. If it isn't feasible for a supervisor to have their own supervisor review and sign their statement then they **should not** have a Purchase Card. It is a best practice that Site Coordinators or Program Administrators not have P-Card accounts.

Comments:

\_\_\_\_\_  
Signature of the person conducting the review

\_\_\_\_\_  
Cardholder's Signature